



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0101	<b>Title:</b>	Certification for wastewater collection system operators
<b>Primary Sponsor:</b>	Brueggeman, John	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$22,000	\$3,800	\$3,800	\$3,800
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$8,400	\$3,800	\$3,800	\$3,800
<b>Net Impact-General Fund Balance</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### **Description of fiscal impact:**

The new certification category will increase revenue and expenses to the Operator Certification Section of the Department of Environmental Quality. After the initial program implementation, the renewal fees and new application fees will cover the department expense to maintain the certification category.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **Department of Environmental Quality (DEQ)**

1. The DEQ will modify the supporting rules, 17.40.202 ARM, to provide certification categories for collection system certification.
2. The DEQ will contract for the development of study materials and prescriptive tests for Montana operators. Production of study material and base information for the tests is \$16,500. The contract with a national certification authority (Association of Boards of Certification) to develop the exams and provide scoring is \$5,500. ( $\$16,500 + \$5,500 = \$22,000$ ).
3. It is estimated that each community system with over 3,300 in population will apply to have one individual certified operator per system. The initial cost of the application and examination process is \$140. There are approximately 35 community systems that will be required to have a certified collection system operator in responsible charge, ( $35 \times \$140 = \$4,900$ ). The department estimates that 25 operators

will become certified voluntarily,  $(25 \times \$140 = \$3,500)$ . Total revenue for FY 2010 will be \$8,400  $(\$3,500 + \$4,900 = \$8,400)$ .

4. In FY 2011, FY 2012, and FY 2013, revenue is estimated to include a \$40 annual renewal fee for existing operators and approximately ten new application and examination fees of \$140 per year. Total revenue each fiscal year will be \$3,800 for 60 operators,  $(35 \text{ required} + 25 \text{ voluntary}) \times \$40 = \$2,400$ , plus + 10 new operators  $\times \$140 = \$1,400$ , for a total of \$3,800.
5. The estimated ten new operators generated from the new application and examination fee are expected to replace operators that retire and/or let their certifications lapse. Therefore, each fiscal year is expected to remain constant with 60 operators and ten new applications.
6. The initial cost of implementing the new certification category will be funded by revenues generated from the applications and renewal fees received and from existing state special revenue funds.
7. After the initial program implementation, the renewal fees and new application fees (\$3,800 each fiscal year) will cover the department operational expenses to maintain the certification category in FY 2011, FY 2012, and FY 2013.
8. Workload to implement and maintain the certification category can be incorporated into staff's existing duties.

	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>	<b><u>FY 2012</u></b> <b><u>Difference</u></b>	<b><u>FY 2013</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$22,000	\$3,800	\$3,800	\$3,800
<b>TOTAL Expenditures</b>	<b>\$22,000</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>\$3,800</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$22,000	\$3,800	\$3,800	\$3,800
<b>TOTAL Funding of Exp.</b>	<b>\$22,000</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>\$3,800</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$8,400	\$3,800	\$3,800	\$3,800
<b>TOTAL Revenues</b>	<b>\$8,400</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>\$3,800</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$13,600)	\$0	\$0	\$0

**Effect on County or Other Local Revenues or Expenditures:**

1. Community wastewater systems over 3,300 in population will be required to have at least one collection system certified operator in responsible charge.
2. Communities will be responsible for the initial application and examination fee, continuing education training, and an annual renewal fee for their operators.

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Sponsor's Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Budget Director's Initials

\_\_\_\_\_  
Date